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Report on the activities of the Office of Internal Oversight Services

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Report on the activities of the Office of Internal Oversight Services for the period from 1 January to 31 December 2007

Note by the Secretary-General

The Secretary-General has the honour to transmit for the consideration of the General Assembly his comments on part two of the annual report of the Office of Internal Oversight Services (A/62/281(Part II)).

Summary

Part two of the annual report of the Office of Internal Oversight Services covers the peacekeeping oversight activities of the Office during the 18-month period from 1 July 2006 to 30 December 2007. In the present note, the Secretary-General provides comments on issues which the Administration considers require clarification.

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I. Introduction

1. In paragraph 3 of its resolution 59/272, the General Assembly decided that reports of the Office of Internal Oversight Services should be submitted directly to the General Assembly as submitted by the Office and that the comments of the Secretary-General might be submitted in a separate report. The present report is submitted in accordance with the above resolution and provides clarification on specific issues for the information of Member States.

II. Comments on specific paragraphs of the report of the Office of Internal Oversight Services

2. In paragraph 18, the report of the Office of Internal Oversight Services (OIOS) states that with regard to "Darfur, for example, the Secretary-General has informed the President of the General Assembly of his decision under his authority to approve a wide range of exceptions from the application of financial rules and administrative policies and procedures to facilitate establishment of African Union-United Nations Hybrid Operation in Darfur (UNAMID)". It should be clarified that the Secretary-General did not approve any exceptions to the application of the Financial Regulations and Rules of the United Nations with regard to UNAMID. The Secretary-General did, however, approve a number of measures that fall within his authority and that can be invoked under certain special circumstances.

3. In paragraph 30, OIOS highlights three main issues with regard to the preparation of results-based-budgeting frameworks. The first issue raised by OIOS is that, in its view the results-based-budgeting instructions issued by the Department of Peacekeeping Operations and the Office of Programme Planning, Budget and Accounts should be consolidated into a single guidance document. It should be noted, however, that instructions issued by the Controller with regard to the formulation of results-based-budgeting frameworks by the missions address methodological and policy issues, General Assembly decisions and recommendations of the Advisory Committee on Administrative and Budgetary Questions endorsed by the Assembly with regard to results-based budgeting in peacekeeping operations. Accordingly, the Controller's instructions provide broad guidance aimed at ensuring consistency among missions and compliance with the results-based-budgeting methodology. As such, the Controller's instructions are not intended to address mission-specific issues. Operationalization of the Controller's guidance to take into account the specificity of individual missions' mandates and mandate implementation plans rests with the individual missions, assisted in the formulation of frameworks by the Department of Peacekeeping Operations and the Department of Field Support. The second issue raised by OIOS was the uncertainty in missions about how to deal with adjustments necessitated by the fact that the budget proposals are prepared a considerable time before the implementation period. It should be noted, however, that the timing of the preparation of the missions' budgets is driven by the legislative budget review timelines, in particular review of the proposed budgets by the Advisory Committee on Administrative and Budgetary Questions from February to April and by the General Assembly in May and June, with the missions' financing resolutions adopted in June. Accordingly, in order to meet the legislative deadlines, the missions are required to commence preparation of the proposed frameworks upon receipt of the Controller's instructions and

Department of Peacekeeping Operations strategic guidance based on the strategic assumptions and the missions' mandates approved by the Security Council. It is at this stage that the foundation is laid for the missions' planning process for the next financial period, including mandate implementation plans. Given the fluidity of the operational environment in peacekeeping operations, it is unrealistic to expect that the proposed frameworks would capture every facet of mandate implementation. Accordingly, the actual results-based-budget performance is reported in the context of the missions' performance reports, at which time information on the actual indicators of achievement and actual and additional, where applicable, outputs is provided to the Assembly. The third issue highlighted by OIOS was that, of the missions reviewed, the results-based-budgeting frameworks were lacking in areas of measurability regarding baselines and targets for their respective indicators of achievement. It should be noted that considerable progress has been made over the past years in improving the measurability of indicators of achievement and outputs in the results-based frameworks of peacekeeping operations. In the same paragraph, the report states that "OIOS noted the request by the Department of Management to delete references to measurability issues but declines to do so for several reasons". It should be clarified that, at the time of commenting on the draft OIOS report, the Department of Management had requested the removal or reformulation of a specific sentence on measurability and not all mention of measurability issues. The Department of Management is, and always has been, at the forefront in promoting results-based budgeting and managing through SMART (specific, measurable, achievable, realistic, time-bound) targets.